

MEMORANDUM OF AGREEMENT AMONG EPA, ACC, and SOCMA

The United States Environmental Protection Agency (EPA) is charged with protecting human health and the environment. The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. The Synthetic Organic Chemical Manufacturers Association (SOCMA) is the leading trade association serving the specialty-batch and custom chemical industry.

This Memorandum of Agreement (MOA) sets out EPA's, ACC's, and SOCMA's plans to cooperate on matters of mutual interest in promoting high levels of environmental performance and improved dialogue and collaboration through the National Environmental Performance Track and Responsible Care[®] programs.

Background

EPA's National Environmental Performance Track program (Performance Track) is a voluntary public/private partnership launched in 2000 that recognizes and rewards top environmental performance, beyond current legal environmental requirements. To qualify for Performance Track, a facility must have: a working environmental management system (EMS); environmental achievements and a commitment to continuous improvement; mechanisms for public outreach and performance reporting; and a record of sustained compliance with legal environmental requirements and a commitment to continued compliance.

Responsible Care is ACC's environmental, health, safety, and security performance improvement initiative that extends continuous improvement efforts beyond the facility fence line to include the entire value chain. Responsible Care includes third-party certification of a company-wide environmental, health, safety, and security management system (Responsible Care Management System[®] (RCMS[®]) or RC14001 (joint Responsible Care and ISO14000 program)) and comprehensive, publicly reported performance measurements. ACC and SOCMA member companies, and ACC Responsible Care Partner companies, are required to adhere to the Responsible Care program.

Goals

EPA, ACC, and SOCMA have reached this agreement in order to promote the following goals:

- to coordinate the efforts of Performance Track and Responsible Care for achieving continuous environmental improvement;
- to encourage greater participation by ACC and SOCMA members and ACC Responsible Care Partner companies in Performance Track;
- to recognize and encourage the increased emphasis within Responsible Care on performance measurement and third-party certification; and
- to increase awareness and recognition within EPA and the public of the environmental results achieved through ACC's Responsible Care program and the program's potential for addressing key areas of environmental concern.

To achieve these goals, EPA, ACC, and SOCMA have reached agreement on provisions related to streamlining the Performance Track application, joint site visits and audits, collaboration on designation of future indicators and priority issues, joint efforts to promote participation by ACC and SOCMA members and ACC Responsible Care[®] Partners in Performance Track, and periodic review of this MOA to identify additional opportunities for collaboration.

Application Streamlining

First, EPA agrees that Responsible Care certification will be deemed to meet the EMS assessment and implementation criteria for membership in the Performance Track program. Second, EPA will revise its current on-line application to provide that Responsible Care certified facilities automatically will have met the EMS assessment and implementation criteria for Performance Track.

In addition, because of the strong provisions for community outreach and engagement in Responsible Care, EPA agrees that Responsible Care certification directly satisfies the public outreach criterion for membership in Performance Track. ACC and SOCMA agree, however, that for purposes of providing the public with accurate information about public outreach and reporting, ACC and SOCMA members and ACC Responsible Care Partners interested in applying to Performance Track will provide a summary of applicable reporting and public outreach efforts underway at the facility as requested in the Performance Track application.

Joint Site Visits/Audits

EPA conducts site visits of a subset of Performance Track members each year. The purpose of these site visits is to evaluate members' accomplishments as part of the Performance Track program; to solicit feedback on the program and its implementation by EPA and states; to build communication networks among members, EPA, and states; and to evaluate the continuing suitability and effectiveness of program design elements. Recognizing their mutual interest in conserving limited resources and the desire to minimize the burden on Responsible Care participants and Performance Track members, EPA, ACC, and SOCMA agree to coordinate site visits and certification audits.

As a general matter, for those ACC and SOCMA members and ACC Responsible Care Partners who are interested in participating in Performance Track, EPA agrees to conduct its site visits at Responsible Care/Performance Track facilities coincident with Responsible Care certification and/or surveillance audits. EPA may conduct a separate site visit if it determines that a visit would be beneficial at a time other than when a Responsible Care certification or surveillance audit has been scheduled. This coordination effort will make better use of EPA/State, ACC, and SOCMA resources and increase the potential for collaboration and continuous improvement.

Collaboration on Future Indicators and Priority Issues

Currently, all Performance Track members (including those also in the Responsible Care program) must choose their performance commitments from a prescribed list of environmental performance indicators. EPA, ACC, and SOCMA agree to evaluate, at least annually, the list of indicators for which ACC and SOCMA members with facilities in Performance Track are reporting with respect to

those facilities' environmental performance. EPA will have an opportunity to propose indicators for consideration in the Responsible Care reporting framework, and ACC and SOCMA will have the opportunity to propose indicators for the Performance Track reporting framework. These will constitute recommendations and will not be binding on any of the parties.

Joint Efforts to Promote Participation and Environmental Results

ACC and SOCMA will continue to encourage their members and Responsible Care[®] Partners to consider participating in Performance Track based on the efficiencies and potential collaboration created by this MOA. They will collaborate with EPA to use conferences, training sessions, publications, and other appropriate vehicles to promote participation in Performance Track. Similarly, EPA will work with ACC and SOCMA to identify and implement actions (administrative or regulatory changes) that will enhance the value of Responsible Care participation.

EPA Commitment to Explore Corporate-level Performance Track Program for ACC and SOCMA Members and ACC Responsible Care Partners

EPA commits to explore, using ACC and SOCMA member companies and ACC Responsible Care Partner companies as the basis, a pilot program based on ACC and SOCMA's commitment to corporate-wide environmental performance improvement. Under this pilot program, entire companies could be eligible for corporate-level participation in Performance Track.

Periodic Review for Additional Opportunities

EPA, ACC, and SOCMA agree to periodically review this MOA and activities conducted under it to determine other ways of achieving improvements through collaborative efforts when such efforts may deliver measurable environmental results or increase the value of Performance Track membership and Responsible Care certification.

Effective Date, Term of Agreement, and Additional Legal Provisions

This MOA will become effective on the date that the last of the three signatories signs the Agreement. The term of this MOA will be for three years from the effective date, with an automatic renewal at the end of three years for an additional three-year term unless any signatory provides written notice of intent to terminate the MOA at least ninety days prior to the end of the current MOA term. Additionally, prior to the automatic renewal, EPA, ACC, and SOCMA agree to review this MOA for its effectiveness and to discuss how the MOA might be amended, if needed, to increase such effectiveness.

This MOA will be terminated upon the material breach of any of its provisions by any signatory, provided that the material breach has not been resolved by the breaching signatory within a reasonable time after written notice has been received by the other two signatories detailing the alleged material breach. Termination of this MOA does not require an administrative hearing, nor shall it be subject to judicial review.

All commitments made by EPA in this MOA are subject to the availability of appropriated funds. Nothing in this MOA, in and of itself, obligates EPA to expend appropriations or to enter into any

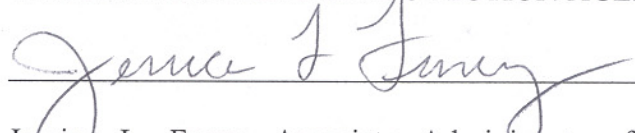
contract, assistance agreement, interagency agreement, or other financial obligations. Any endeavor involving reimbursement or contribution of funds between the parties to this MOA will be handled in accordance with applicable laws, regulations, and procedures, and will be subject to separate subsidiary agreements that will be effected in writing by representatives of both parties. Neither ACC nor SOCMA nor their members or Responsible Care[®] Partner companies will submit to EPA or any other Federal agency a claim for compensation for services rendered to the Federal Government for activities undertaken in furtherance of this MOA.

EPA may not endorse, and ACC and SOCMA may not imply that EPA endorses, the purchase or sale of products and services provided by Responsible Care participants that become partners in this effort.

This MOA does not create any right or benefit, substantive or procedural, enforceable by law or equity against ACC, SOCMA, or EPA, their officers or employees, or any other person. This MOA does not direct or apply to any person outside ACC, SOCMA, and EPA.

This document sets forth the entire MOA among EPA, ACC, and SOCMA and shall not be varied or modified except in a writing executed by all three signatories. If ACC's Board of Directors (Board) adopts future modifications to Responsible Care that are relevant to this MOA, SOCMA and EPA agree to independently review and evaluate such modifications within one year of the Board's adoption of the new elements and to discuss with ACC any needed MOA amendments.

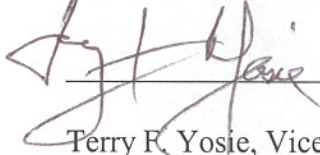
U. S. ENVIRONMENTAL PROTECTION AGENCY



Jessica L. Furey, Associate Administrator for Policy, Economics, and Innovation

Dated: 6/28, 2004

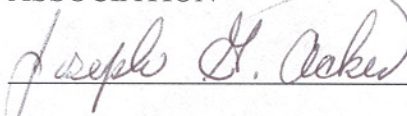
AMERICAN CHEMISTRY COUNCIL



Terry R. Yosie, Vice President for Responsible Care[®]

Dated: 30 June, 2004

SYNTHETIC ORGANIC CHEMICAL MANUFACTURERS ASSOCIATION



Joseph G. Acker, President

Dated: June 30, 2004